

Introduced by Senator Lowenthal

February 19, 2010

An act to add Article 2 to Chapter 8 (commencing with Section 2848) of Part 2 of Division 1 of the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

SB 1465, as introduced, Lowenthal. Energy: microturbines.

The Waste Heat and Carbon Emissions Reduction Act authorizes the Public Utilities Commission (PUC) to require an electrical corporation to purchase excess electricity, as defined, from an eligible customer-generator. The act defines "eligible customer-generator" as a customer of an electrical corporation that uses a combined heat and power system, as defined, with a generating capacity of not more than 20 megawatts, that first commences operation on or after January 1, 2008, and uses a time-of-use meter capable of registering the flow of electricity in 2 directions.

This bill would require the PUC to require an electrical corporation to purchase excess electricity from a customer of an electrical corporation that uses a microturbine with a generating capacity of not more than one megawatt that runs off of waste or standard gas associated with the extraction of oil or gas and has a time-of-use meter capable of registering the flow of electricity in 2 directions.

Because a violation of an order or decision of the commission implementing its requirements would be a crime, the bill would impose a state-mandated local program by creating a new crime.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Article 2 (commencing with Section 2848) is
2 added to Chapter 8 of Part 2 of Division 1 of the Public Utilities
3 Code, to read:

4
5 Article 2. Microturbines
6

7 2848. (a) As used in this article:

8 (1) “Eligible customer-generator” means a customer of an
9 electrical corporation that meets both of the following
10 requirements:

11 (A) Uses a microturbine with a generating capacity of not more
12 than one megawatt that runs off of waste or standard gas associated
13 with the extraction of oil or gas.

14 (B) Uses a time-of-use meter capable of registering the flow of
15 electricity in two directions. If the existing electrical meter of an
16 eligible customer-generator is not capable of measuring the flow
17 of electricity in two directions, the eligible customer-generator
18 shall be responsible for all expenses involved in purchasing and
19 installing a meter that is able to measure electricity flow in two
20 directions. If an additional meter or meters are installed, the
21 electricity flow calculations shall yield a result identical to that of
22 a time-of-use meter.

23 (2) “Excess electricity” means the net electricity exported to
24 the electrical grid, generated by a microturbine with a generating
25 capacity of not more than one megawatt that runs off of waste or
26 standard gas associated with the extraction of oil or gas.

27 (b) The commission shall require an electrical corporation to
28 purchase excess electricity from an eligible customer-generator.
29 The commission may establish a maximum kilowatthours limitation
30 on the amount of excess electricity that an electrical corporation
31 is required to purchase if the commission finds that the anticipated
32 excess electricity generated has an adverse effect on long-term
33 resource planning or reliable operation of the grid. The commission

1 shall establish, in consultation with the Independent System
2 Operator, tariff provisions that facilitate both this section and the
3 reliable operation of the grid.

4 (c) (1) Every electrical corporation shall file with the
5 commission a standard tariff for the purchase of excess electricity
6 from an eligible customer-generator pursuant to this article.

7 (2) The tariff shall provide for payment for every kilowatthour
8 delivered to the electrical grid by the microturbine at a price
9 determined by the commission.

10 (3) The tariff shall include flexible rates with options for
11 different durations, not to exceed 10 years, and fixed or variable
12 rates relative to the cost of natural gas.

13 (4) The commission shall ensure that ratepayers not utilizing
14 microturbines are held indifferent to the existence of this tariff.

15 (d) The commission, in reviewing the tariff filed by an electrical
16 corporation, shall establish time-of-delivery rates that encourage
17 demand management and net generation of electricity during
18 periods of peak system demand.

19 (e) Every electrical corporation shall make the tariff available
20 to eligible customer-generators within the service territory of the
21 electrical corporation, upon request. An electrical corporation may
22 make the terms of the tariff available to an eligible customer in
23 the form of a standard contract.

24 SEC. 2. No reimbursement is required by this act pursuant to
25 Section 6 of Article XIII B of the California Constitution because
26 the only costs that may be incurred by a local agency or school
27 district will be incurred because this act creates a new crime or
28 infraction, eliminates a crime or infraction, or changes the penalty
29 for a crime or infraction, within the meaning of Section 17556 of
30 the Government Code, or changes the definition of a crime within
31 the meaning of Section 6 of Article XIII B of the California
32 Constitution.